GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:5680
ANSWERED ON:25.04.2001
JURISDICTION OF PLANNING COMMISSION
LAXMINARAYAN PANDEY;SHEELA GAUTAM

Will the Minister of PLANNING be pleased to state:

(a) whether the Government propose to limit the jurisdiction of the Planning Commissionto the areas where formulation of comprehensive scheme is required and delegate the powers of formulation of schemes in the remaining areas to the concerned central ministries and the State Government :

(b) if so, the details thereof : and (

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) to (c): Planning Commission is currently engaged in an exercise to determine what would be the most effective role for the Commission in the altered domestic and global scenario. In this regard, a note prepared on the Role of the Planning Commission in the wake of changing economic scenario was discussed in the full Planning Commission Meeting held on 30th September, 2000 under the chairmanship of the Prime Minister. The proposal was broadly approved and is to be further discussed between the Deputy Chairman and the Union Finance Minister.

Over the years, Planning Commission has largely confined itself to undertaking investment planning of the economy by focusing primarily on its planning and allocative functions involving distribution of plan funds between the Central Sector Plan and the Central Assistance to State Plans as also across the Ministries/Departments in the Central Sector. Intrinsic to this exercise is the process of plan formulation-both Five Year and the Annual plans- their review, monitoring and the requisite follow-up. Even though this exercise may have lost some of its importance both on account of dwindling share of public investment to the total investment in the economy and also due to the changing economic policy regime and administration which is placing an ever greater reliance on the market to deliver the nation`s development goals, its relevance for overseeing capacity building in crucial social and infrastructure sectors continues to be as important, demanding and urgent as ever before.

In the face of changing domestic economic policy regime and an equally fast paced integration of the economy with the emerging global order, investment planning is no more the only, or the more predominant, or even the most effective instrument of pursuing development. In fact, the role of state and hence of planning has to move from a direct intervention in economic activity in general and the production process in particular, to facilitating creation of an environment that encourages individual initiative and reaches out by providing opportunity to all. Planning has to, therefore, go beyond undertaking mere budgetary allocations, between the competing sectors and regions, for that alone would not be enough, and move towards ensuring policy harmonisation over time and across space. This requires the Planning Commission to strengthen its role as a `Think Tank` - a repository of expert knowledge.